Approved For Release 2007/11/19 : CIA-RDP83M00914R001200030028-0

United States Synthetic Fuels Corporation
1900 L Street, N.W. Washington, District of Columbia 20586 Telephone: (202) 653-4400

February 11, 1982

The Honorable William J. Casey
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Casey:

Pursuant to the Energy Security Act of 1980, the United States Synthetic Fuels Corporation is assessing the relative merits of proposed domestic synthetic fuels projects which may qualify for financial assistance. This assessment includes, among other things, an evaluation of the technology involved in the production of synthetic fuels from (a) coal, including lignite and peat; (b) shale; (c) tar sands and heavy oil; and (d) water as a source of hydrogen by electrolysis.

The Corporation is knowledgeable of current U. S. efforts in these areas and of foreign developments which have been open to inspection or have been described in open trade literature.

It would be most helpful to our deliberations if you would provide us with information of which your organization has knowledge concerning any significant technological developments for the production of synthetic fuels from the feedstocks mentioned above.

If there are any questions concerning this request, please contact [redacted] Vice President for Projects, telephone number 653-4533. STAT

Sincerely,

[redacted] STAT

President

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release February 9, 1982

EXECUTIVE ORDER

SYNTHETIC FUELS

By the authority vested in me as President by Section 305(k) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2095(k)), and having determined that the United States Synthetic Fuels Corporation is established and fully operational consistent with the provisions of the United States Synthetic Fuels Corporation Act of 1980 (Public Law 96-294; 94 Stat. 633 et seq.), and to provide for an orderly transition of synthetic fuel responsibilities from the Department of Energy to the United States Synthetic Fuels Corporation, it is hereby ordered as follows:

Section 1. No new awards for purchases or commitments for financial assistance shall be made under the provisions of Section 305 of the Defense Production Act of 1950, as amended.

Sec. 2. Synthetic fuels projects or actions initiated by the Department of Energy shall, to the extent provided in the Supplemental Appropriations and Rescissions Act, 1980 (Public Law 96-304; 94 Stat. 880-881), transfer to the Corporation upon a majority vote of the Board of Directors of the Corporation, and unexpended balances of the funds obligated for such projects shall be transferred to the Corporation to the extent such projects are transferred to the Corporation.

Sec. 3. The balance of the amounts not committed or not conditionally committed by the Department of Energy which were appropriated by Public Law 96-304 and Public Law 96-126 from the Energy Security Reserve to the Department of Energy are available as provided in the Supplemental Appropriations and Rescissions Act, 1981 (Public Law 97-12; 95 Stat. 48), to carry out the provisions of Title I of the Energy Security Act (Public Law 96-294; 94 Stat. 616 et seq.).

Sec. 4. Executive Order No. 12242 of September 30, 1980 is revoked.

Sec. 5. Notwithstanding the revocation of Executive Order No. 12242, the provisions of that Order shall continue in full force and effect with respect to any loan guarantee issued under the provisions of that Order.

RONALD REAGAN

THE WHITE HOUSE,

February 8, 1982.

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NEWSDAY (NY)
26 JANUARY 1982

Casey Interest Seeks U.S. Aid

By Myron S. Waldman
Newsday Washington Bureau

Washington—A firm in which CIA Director William J. Casey holds an indirect financial interest has been selected as one of 11 finalists to be considered for thousands of dollars worth of federal aid.

The United States Synthetic Fuels Corp., a government-sponsored firm, picked the First Colony project of Peat Methanol Associates, which aims to turn peat into alcohol, as a finalist.

Peat Methanol Associates is a partnership of Energy Transition Corp., a consulting firm based here, and Koppers Co. Casey owns a one-fifth interest in Energy Transition Corp. stock that amounts to $10,000. Like the Roslyn Harbor lawyer, his four partners are former officials in the administrations of Richard Nixon and Gerald Ford: Frank Zarb, former head of the Federal Energy Administration; William Turner, former ambassador to the Organization for Economic Cooperation and Development; Charles Robinson, a former undersecretary of state who negotiated the 1972 grain deal with the Soviet Union, and Robert Fri, former deputy administrator of the Energy Research and Development Administration.

Casey resigned as vice president and secretary of Energy Transition Corp. a few days before the beginning of his confirmation hearings to become director of the Central Intelligence Agency, but kept control of his stock. But Fri has said that Casey was never active in Energy Transition's projects.

Peat Methanol Associates wants to build a $250 million still in North Carolina to turn peat into methanol, also known as wood alcohol. But before proceeding, the partnership wants a federal price guarantee of 75 cents for every gallon of alcohol its proposed plant would produce.

The Synfuels Corp., in making its first decisions since its inception in late 1980, selected the 11 finalists from 28 firms that had made proposals for innovative methods of manufacturing fuel. The corporation may choose as many of the projects as it wishes, probably on March 2.

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